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# 83 USDA Loans Funds to Mound City for City Hall

USDA Programs Gives City  
A Quarter of Its Grant Funding  
City Hopes to Receive CDBG Loan

BY LIZ BEGGS

LBEGGS@MICONNEWS.COM

In a Nov. 21 ceremony, the U.S. Department of Agriculture's Rural Development State Director Chuck Banks presented Mound City a check for \$735,000.

The USDA's Rural Development Housing and Community Facilities Program provides financial assistance to public organizations in rural America that plan to use the money to build or renovate community facilities from city halls to hospitals.

Mound City's current city hall is in a building built in 1868, and its electrical capacity does not work for current technologies. Its library is also one-third of the size recommended by the Kansas Library Association, said Mayor Robert Meyer.

"The Community Facility Program really has

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## *Mound City*

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one of the widest ranges of eligibility of any of our programs,” Banks said.

Mound City plans to use the money to build its new city hall, library and community building, which is a proposition that passed in the Nov. 7 election 144 to 122.

“(The program) has a lot of uses,” he said.

The money will allow the city to finish the city hall and the library on the top floor of the facility to be built at 426 Main St. The city plans to add a storm shelter and community center to the basement of the facility, but it would need a loan from the Community Development Block Grant for about \$400,000 to finish the proj-

ect, Meyer said.

About \$685,000 from the USDA program is a 30-year loan with an interest rate of about 4.5 percent. The organization granted the city the remaining \$50,000.

The \$50,000 is one of the few grants the program is able to give each year. The program only receives about \$200,000 worth of grants a year to disperse to Kansas communities in need.

“A community is going to have to show a real need for grants,” Banks said. “We have to really administer that judiciously. Obviously the income of the community is going to be looked at and the type of the project is going to be looked at,” he said.

In order to receive a grant, a community must demonstrate its proposed use for the facility would provide an essential service to the community.

“You’re not going to be putting grants for a discretionary type facilities,” he said.

Because of the county’s income profile, it qualified for a quarter of the state’s grant money, he said.

In 2006, the program provided about \$258 million in funding for communities in Kansas, Banks said.

Members of the city council also budgeted about \$100,000 for the construction, of which \$32,000 has been spent on the plat of land.